(Qty. in lakh MTs)

	Season	Demand	Availability
UREA	Kharif 2005	114.39	116.20
	Rabi 2005-06	119.86	127.23*
DAP	Kharif 2005	33.45	36.81
	Rabi 2005-06	44.61	46.29*
MOP	Kharif 2005	13.89	18.82
	Rabi 2005-06	14.99	22.73*

* Estimated availability

(c) and (d) Question does not arise, Sir.

Sales promotion by pharma companies

2611. SHRI UDAY PRATAP SINGH:

SHRI DARA SINGH CHAUHAN:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government's attention has been drawn to the fact that pharma companies are spending huge amounts on their sales promotion; and

(b) what are the details of promotional expenditure of the top ten pharma companies for the last three years?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) and (b) Prices of Scheduled drugs and formulations based thereon are fixed by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of para 7 of the Drugs (Prices Control) Order, 1995 (DPCO, 95). A price of a Scheduled formulation is fixed by allowing Maximum Allowable Post Manufacturing Expenses (MAPE) @ of 100% on ex-factory cost for indigenously manufactured Scheduled formulations and upto 50% of the landed cost for imported Scheduled formulations. The trade margin to retailers in respect of Scheduled

formulations is fixed at 16%. Therefore, the Sales promotion expenses are included in MAPE and therefore are restricted within the limits of MAPE.

However, the prices of non-Scheduled medicines are fixed by the manufactures themselves keeping in view various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, production innovation, product quality etc. Sales promotion expenses for these products by the pharma companies are based on their corporate decisions. In such cases there is no specified limits for Sales Promotion expenses by the Government.

No data is maintained regarding promotional expenditure of Pharma companies.

Allegations against DPLRC

2612. SHRI DARA SINGH CHAUHAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that Drug Prices Liability Review Committee (DPLRC) has been acting in an arbitrary manner and notices have been sent only to Indian Companies and large MNCs have been left out;

(b) the details of the notices issued, names of the companies and the amount involved;

(c) whether it is also a fact that 26 cases are still pending with DPLRC;

(d) the reasons for the same; and

(e) the names of the companies and the amount involved?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) No Sir. Notices have been sent by Drug Prices Liabilities Review Committee (DPLRC) both to the Indian companies as well as MNCs.

(b) DPLRC have issued notices in 72 cases involving 71 companies (one case merged with another) for representation/submission from these companies against the liabilities communicated by the Department of Chemicals & Petrochemicals. The names of the companies to whom notices were issued by the DPLRC are given in Statement (see below). The approximate amount involved in these notices is Rs. 230.40 crore.